



This document is scheduled to be published in the Federal Register on 09/20/2012 and available online at <http://federalregister.gov/a/2012-23137>, and on FDsys.gov

GENERAL SERVICES ADMINISTRATION

[OMB Control No. 3090-0235]

[Docket No.2011-0016; Sequence 10]

General Services Administration Acquisition Regulation;

Submission for OMB Review; Price Reductions Clause

AGENCY: Office of Acquisition Policy, General Services Administration (GSA).

ACTION: Notice of request for comments regarding an extension to an existing OMB clearance.

SUMMARY: Under the provisions of the Paperwork Reduction Act, the Regulatory Secretariat will be submitting to the Office of Management and Budget (OMB) a request to review and approve an extension of a previously approved information collection requirement regarding the GSAR Price Reductions Clause. A notice was published in the **Federal Register** at 76 FR 89141, on December 29, 2011. One respondent submitted comments.

Public comments are particularly invited on: Whether this collection of information is necessary and whether it will have practical utility; whether our estimate of the public burden of this collection of information is accurate, and based on valid assumptions and methodology; ways to enhance the quality, utility, and clarity of the information to be collected.

DATES: Submit comments on or before: [Insert date 30 days after date of publication in the Federal Register].

ADDRESSES: Submit comments identified by **Information Collection 3090-0235, Price Reduction Clause**, by any of the following methods:

- Regulations.gov: <http://www.regulations.gov>.

Submit comments via the Federal eRulemaking portal by searching the OMB control number. Select the link "Submit a Comment" that corresponds with "Information Collection 3090-0235, Price Reduction Clause". Follow the instructions provided at the "Submit a Comment" screen. Please include your name, company name (if any), and "Information Collection 3090-0235, Price Reduction Clause" on your attached document.

- Fax: 202-501-4067.
- Mail: General Services Administration, Regulatory Secretariat (MVCB), 1275 First Street, NE, Washington, DC 20417. ATTN: Hada Flowers/IC 3090-0235, Price Reduction Clause.

Instructions: Please submit comments only and cite Information Collection 3090-0235, Price Reduction Clause, in all correspondence related to this collection. All comments received will be posted without change to

<http://www.regulations.gov>, including any personal and/or business confidential information provided.

FOR FURTHER INFORMATION CONTACT: Ms. Dana Munson,
Procurement Analyst, General Services Acquisition Policy
Division, GSA, (202) 357-9652 or email Dana.Munson@gsa.gov.

SUPPLEMENTARY INFORMATION:

A. Purpose

The clause at GSAR 552.238-75, Price Reductions, used in multiple award schedule contracts ensures that the Government maintains its relationship with the contractor's customer or category of customers, upon which the contract is predicated. The reason for the burden increase is based on the results of comments received.

B. Discussion and Analysis

The Coalition for Government Procurement provided comments on behalf of its members. The comments are insightful and provide a foundation on which to counter-estimate annual burden hours.

The comments provided included an analysis of the practical utility of the Price Reductions Clause (PRC); the perceived limitations placed on MAS contractors in the commercial market due to the PRC; an estimate of the PRC reporting burden; and the results of the Coalition survey issued to its members on the burden hours of training,

compliance systems, contract negotiations, and audit preparation.

GSA appreciates the comments provided and agrees that the reporting burden was underestimated. The PRC is included in the retrospective analysis and review under Executive Order 13563, as part of GSA's modernization effort.

Using the results of the contractor survey conducted by the Coalition relative to the burden hours associated with collection of information on the PRC, GSA has reevaluated and revised the total annual burden. An analysis of the evaluation is as follows:

Training - GSA believes that costs and hours allocated to training have a direct link to the size, business structure and product offerings of the company. Further, the investment of hours for design and development of a training program far exceed those aligned with conducting the training itself. We estimate that training activity for design and development of this type of training can be accomplished in approximately 80 hours, with an additional 5 hours to administer the training on an annual basis. The estimated burden hours for developing and design of training are:

Number of Respondents: 16,000.

Responses Per Respondent: 1.

Total Annual Responses: 16,000.

Average Burden Hours Per Response: 4 (80 hours/20 yrs).

Total Burden Hours: 64,000.

The estimated burden hours to administer training:

Number of Respondents: 16,000.

Responses Per Respondent: 1.

Total Annual Responses: 16,000.

Average Burden Hours Per Response: 5.

Total Burden Hours: 80,000.

Compliance systems - Reduced expenditures should occur after the initial investment. The average dollar investment and the number of hours invested to set-up and monitor a compliance system will vary per vendor based on offerings, basis of award, participation in government or commercial marketplace, and the company's business structure. As a result, compliance system burden hours are broken down to address the diverse MAS vendor base. We estimate approximately 20% of the 16,000 MAS vendors have all invested more heavily in the federal marketplace and therefore may require more burden hours to set up and monitor PRC compliance. The remaining estimated 80% have fewer offerings and less complex business structures resulting in reduced burden hours to setup and monitor

compliance. Additionally, compliance systems are used to monitor other requirements in addition to the PRC.

Therefore, the average number of hours invested to set up and monitor the system, as well as the cost of the system must be distributed over a larger base than just the PRC.

The estimated burden hours for vendors with heavier investments in the federal marketplace are as follows:

Number of Respondents: 3,200 (20% of 16,000)

Responses Per Respondent: 1.

Total Annual Responses: 3,200.

Average Burden Hours Per Response: 55 hours (1100 hrs/20 yrs).

Total Burden Hours: 176,000.

The estimated burden hours for vendors with less heavy investments in the federal marketplace are as follows:

Number of Respondents: 12,800 (80% of 16,000)

Responses Per Respondent: 1.

Total Annual Responses: 12,800.

Average Burden Hours Per Response: 30 hours (600 hrs/20 yrs).

Total Burden Hours: 384,000.

Negotiations - The PRC is one of many areas negotiated with MAS contractors. We attribute pricing data to constitute over 1/2 of the negotiations, with administrative and

technical data comprising the remainder. Based on industry experience, it is estimated that no more than 140 hours are expended on PRC negotiations. Thus, the estimated 272 hours is reduced to 140 hours over 20-year lifespan of the contract (140hrs/20) to an annual burden hours of 7.

Number of Respondents: 19,000.

Responses Per Respondent: 1.

Total Annual Responses: 19,000

Average Burden Hours Per Response: 7 (140 hrs/20 yrs).

Total Burden Hours: 133,000.

Audits - Over the past three years (FY10, FY11, FY12) an average of 70 FSS contracts were audited by the IG each year. The respondent estimated that approximately 440-470 hours were spent preparing for audits involving the PRC. Thus, GSA took the average of the respondent's estimate (445) and multiplied it by 70, which is the consistent number of contracts audited during the last three fiscal years, to reach the sum of 31,150 hours expended preparing for audits.

Number of Respondents: 70.

Responses Per Respondent: 1.

Total Annual Responses: 70.

Average Burden Hours Per Response: 445.

Total Burden Hours: 31,150.

c. Annual Reporting Burden

Number of Respondents: 19,000.

Responses Per Respondent: 1.

Total Annual Responses: 19,000.

Average Burden Hours Per Response: 45.7 hours.

Total Burden Hours: 868,150.

OBTAINING COPIES OF PROPOSALS: Requesters may obtain a copy of the information collection documents from the General Services Administration, Regulatory Secretariat Division (MVCB), 1275 First Street, NE, Washington, DC 20417, telephone (202) 501-4755. Please cite OMB Control No. 3090-0235, Price Reductions Clause, in all correspondence.

Dated: September 14, 2012

Joseph A. Neurauter,
Director, Office of Acquisition Policy,
Senior Procurement Executive.

[Billing Code: 6820-61]

[FR Doc. 2012-23137 Filed 09/19/2012 at 8:45 am;

Publication Date: 09/20/2012]